Realisation of Bank Loan

†1435. SHRIMATI SAVITA SHARDA: Will the Minister of FINANCE be pleased to state:

(a) the present status of realization of loans provided by banks and financial institutions which are blocked;

(b) whether the State Bank of India have issued notices for the realization of loan amounts;

(c) if so, the details thereof; and

(d) the amount of loan likely to be realised as a result of the issuance of such notices?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) Public sector banks have recovered an amount of Rs. 18730.15 crore as on 31st March, 2003. Information relating to recovery by financial institutions is being collected and will be laid on the Table of the House to the extent available.

(b) Yes, Sir.

(c) and (d) State Bank of India has issued 10221 notices under the SARFAESI Act involving an amount of Rs. 4507 crores.

Loss of Capital Gains Tax

1436. SHRI LALITBHAI MEHTA:
SHRIMATI SAVITA SHARDA:

Will the Minister of FINANCE be pleased to state:

(a) the amount Government have lost by way of capital gains tax in the last decade due to Indo-Mauritius Double Taxation Avoidance Convention;

(b) if so, the steps Government propose to take to avoid a loss of revenue to the exchequer; and

(c) whether it is a fact that the Supreme Court of India in a judgement did not appreciate the way Indo-Mauritius Treaty has been abused?

†Original notice of the question was received in Hindi.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHRIPAD YESSO NAIK)): (a) No, Sir. In terms of Indo-Mauritius DTAA, Capital Gains on purchase and sale of shares of Indian companies is chargeable in Mauritius in case of residents of Mauritius. It is not subjected to capital gains tax in India. As such it cannot be said that Capital Gains Tax has been 'lost'. No record of amount of such tax leviable in Mauritius in terms of the treaty is maintained by the Income Tax Department.

(b) In view of (a) no action is called for in cases of residents of Mauritius.

(c) Supreme Court has passed the order after taking into account the legal and factual aspects of the matter. It will not be possible to say that Supreme Court has not appreciated the facts of the case. The Supreme Court has come to conclusion that the grant of exemption from Capital Gains Tax in India in terms of the Treaty doesn't amount to 'abuse' of the Treaty.

Pension burden of States

1437. SHRIMATI AMBIKA SONI:
DR. T. SUBBARAMI REDDY:

Will the Minister of FINANCE be pleased to state:

(a) whether Government have brought a new pension scheme;

(b) whether Capital Government's proposal on pension reforms has been welcomed by State Governments;

(c) whether only four States are at present willing to join new pension scheme once it is operationalised;

(d) if so, whether in a bid to diffuse pension time-bomb of State Governments' Reserve Bank of India has set up a high-level committee to review growing financial burden on various States on account of pension funding;

(e) whether they have completed the review of pension burden of States; and

(f) if so, the alternative suggestions made in this regard?